

FISCAL NOTE

HB 2427 - SB 2789

February 21, 1998

SUMMARY OF BILL: Enacts the *Tennessee Charter School Act of 1998*. Requires the State Board of Education to establish a charter school program which shall provide for the approval and granting of charters to charter schools. A charter school shall be a public school operated under a charter granted by the Commissioner of Education, operated independently of a local board of education and managed by a board of trustees. Authorizes the establishment of not more than 210 charter schools during the 48 months following passage of the bill.

New charter schools could not have an enrollment greater than 500 students or 25% of the school district's student body, whichever is less. Charter school students would be required to meet the same testing and academic performance standards as other public school students. Charter schools could not construct facilities with public funds. *The school district of residence of a student would be required to pay a presumptive amount of 90% to the charter school of the state and local funds which would otherwise be expended if the student had remained in the district of residence.* The Commissioner of Education may require the school of residence to pay directly to the charter school an amount which shall not exceed 100% of the local budget per pupil. The district would provide transportation for students residing in the district. All classroom teachers shall hold appropriate Tennessee licenses.

The Commissioner of Education is required to annually assess whether each charter school is meeting the goals of its charter, and shall conduct a comprehensive review prior to granting a renewal of the charter. Six years after passage of the bill, the Commissioner would be required to submit to the Governor and General Assembly a report on and an evaluation of the charter school program including recommendations on the advisability of continuing, modifying, expanding or terminating the program.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - Dept of Education - \$77,000 Recurring
\$8,000 One-Time
BEP - Exceeds \$700,000**

Increase Local Govt. Expenditures - BEP - Exceeds \$350,000

Other Fiscal Impact - Increase Federal Revenues - Exceeds \$100,000

HB 2427 - SB 2789

Estimate assumes:

- Two positions and related expenses in the Department of Education for administrative purposes associated with charter schools.
- A typical charter school will have at least 200 students and at least 10% will come from private schools and/or from home schools.
- At least 15 of a possible 24 schools will be established beginning in the academic year 1998-99 and will increase BEP funding for at least 300 students who are not now enrolled in public schools.
- BEP funding for 1997-98 provided an average of approximately \$3,539 per student of which approximately 66% is state funds.
- Tennessee will be eligible to receive federal charter school grants.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director